



**Kevin McCauley**  
Editor-in-Chief

# O'Dwyer's Newsletter



**The Inside News of  
PR and Marketing  
Communications**

271 Madison Ave., New York, NY 10016  
212/679-2471. Fax: 212/683-2750  
[www.odwyerpr.com](http://www.odwyerpr.com); [jobs.odwyerpr.com](http://jobs.odwyerpr.com)

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## **O'BRIEN DRIVES AWAY FROM TESLA TURMOIL**

Sarah O'Brien, who joined Tesla Inc. in Sept. 2016 as senior director of communications from Apple, is leaving the troubled electric carmaker next month.

She was promoted to the V-P communications position in Aug. 2017.



**Sarah O'Brien**

Her departure follows the turmoil that began with a tweet on Aug. 7 from CEO/founder Elon Musk about a plan to take the company private for a \$420 per-share price.

That alleged \$10B deal resulted in the rise of Tesla stock, suspension of trading by NASDAQ and a Securities and Exchange Commission probe.

Tesla lost \$1.5B on \$7.4B revenues during the first half of this year.

On Aug. 24, Musk dropped the go-private scheme following conversations with Goldman Sachs and Morgan Stanley.

Prior to joining Tesla, O'Brien spent eight years at Apple. She did four years in London promoting Apple Music in the EMEA market, and the next four at headquarters in Cupertino, Cal., handling PR for the iPhone.

Tesla says O'Brien's departure on Sept. 7 was planned before Musk's drama of last month.

Dave Arnold, who recently was upped to senior director of communications, will take over O'Brien's duties.

## **EX B-M ASIA VICE CHAIR MCCABE TO EDELMAN**

Edelman has recruited Ian McCabe, who was Asia Pacific vice chairman for PA & government communications at Burson-Marsteller, as vice chair of its APAC PA group.

McCabe, who exited B-M earlier this year, had also served as managing director of the WPP unit's Hong Kong office. He handled Cathay Pacific Airways, Foxconn, Petron, Saudi Aramco, Philippine Long Distance Telephone Co., Carlsberg AIA and Hong Kong Jockey Club.

McCabe developed B-M's sovereign economic communications program. He spearheaded the communications effort campaign for Korea's Ministry of Finance and Economy and positioned Hong Kong as Asia's world city.

At Edelman, McCabe will work closely with Stephen Kehoe, global reputation chair.



**Ian McCabe**

## **WARREN PUSHES TIGHTER LOBBYING RULES**

Sen. Elizabeth Warren has introduced the "Anti-Corruption and Public Integrity Act," which is designed to strengthen lobbying disclosure regulations and ban Americans from lobbying for foreign governments.

In an Aug. 21 National Press Club speech, Warren noted that trust in government dropped from 73 percent in 1958 to 18 percent today, according to the National Election Survey polls.

Warren wants to increase public integrity by instituting a lifetime ban on lobbying by the president, cabinet secretaries, members of Congress, federal judges and other senior government officials.

The legislation also would prohibit government officials from owning and trading individual stocks. She also would put the brakes on foreign lobbying activity.

Warren would expand the definition of lobbyist to include anyone who is paid to influence the government.

Warren's bill would end what she calls "legalized lobbyist bribery," by prohibiting lobbyists from writing campaign checks or giving personal gifts to anyone running for or holding a federal office.

The Senator knows that her legislation faces tough opposition, but vowed to fight for as many of her reforms as possible.

## **BGR SIGNS \$960K SAUDI ARABIA PACT**

BGR Government Affairs has inked a "public relations and media management services" contract with the Saudi Arabia Embassy in Washington.

The \$80K monthly retainer contract calls for BGR to keep the Saudis apprised of political issues in Congress and the executive branch.

The firm also will assist the Saudis in communicating priority issues regarding US-Saudi relations to American audiences.

BGR's contract, which runs for a year, includes a conflicts clause.

Under the agreement, BGR agrees for one year after the expiration of the Saudi work not to "perform any work or accept any engagement for another government or governmental entity, or for any other client whose interests or objectives may be adverse to the interests or objectives of the Embassy, without written approval."

BGR chairman Ed Rogers handles the Saudi work.



**Ed Rogers**

## MERGER BATTLE ROCKS UK PR GROUPS

The battle over the proposed merger between the UK's Public Relations and Communications Association and the Association of Professional Political Consultants is heating up.



On Aug. 22, proponents released an open letter, signed by 30 industry leaders such as Weber Shandwick UK CEO

Rachel Friend and Hill + Knowlton Strategies CEO, UK and global chair Richard Millar, that called the merger "a once-in-a-decade opportunity for our industry."

That statement follows one from the Campaign for an Independent APPC, signed by 21 APPC members, claiming that the merger plans would essentially be a takeover.

The letter in support of the merger says that combining the two organizations would give the new entity a stronger voice, as well as giving APPC members access to PRCA resources, and reducing the bookkeeping burdens on those who now belong to both organizations.

"The success of the PRCA in recent years, its growth, global reach, and deep connections with the UK public affairs industry make it the obvious home for the APPC," Andy Sawford, managing partner, Connect Communications and PRCA board member, wrote in a LinkedIn post on July 30.

But while APPC management committee member Darren Caplan says he welcomes "a healthy debate," he says that those opposed to the merger "will continue to promote the case that an independent APPC is the best route forward."

The vote on the merger will take place Oct. 8.

## JESSICA ALBA'S HONEST CO. AVOIDS PR FIGHT

The Honest Co., which was founded by actress Jessica Alba, has signed an agreement with the SAG-AFTRA union to avoid a fight over the use of non-union labor.

A battle would have tarnished the "warm and fuzzy brand identity" enjoyed by Honest Co., according to the Aug. 22 *Hollywood Reporter*.

The Los Angeles-based natural products company describes itself as "a wellness brand with values rooted in consciousness, community, transparency and design."



Jessica Alba

SAG on Aug. 20 slapped a "do not work order" on Honest for allegedly preparing to shoot commercials made by ad agency Mother with non-union labor.

Honest, which claims that it was going to use SAG members for the shoot, signed an agreement with the union on Aug. 23.

Alba's company received a financial endorsement in June from Greenwich, CT. private equity firm L Catterton, which invested \$200M in Honest Co.

Scott Dahnke, co-CEO of Catterton, had called that investment a bid to "leverage our long-standing experience in the better-for-you space."

## MEDIA MANEUVERS

Embattled CBS CEO Leslie Moonves has hired Daniel Petrocelli, whose legal clients have included Donald Trump in the Trump University case, former Enron CEO Jeffrey Skilling and the family of Ron Goldman in a civil suit against O.J. Simpson, to represent him in CBS's ongoing internal investigation, according to the *Hollywood Reporter*. Petrocelli will face off against former SEC chairman Mary Jo White from Debevoise &



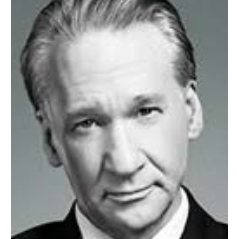
Leslie Moonves

Plimpton and ex-federal prosecutor Nancy Kestenbaum from Covington & Burling, who will be leading the probe. The examination into Moonves' conduct follows a New Yorker story which alleged that he made unwanted sexual advances on several women employed by CBS. CBS might be the target of a wrongful termination lawsuit if they fire

Moonves. That would increase the company's legal challenges as it looks toward an October trial with its controlling shareholder, the Shari and Sumner Redstone-owned National Amusements, over a possible merger between CBS and Viacom, also controlled by the Redstones.

Bill Maher, host of HBO's "Real Time with Bill Maher," has donated \$1 million to the Senate Majority PAC, a fundraising committee dedicated to building a Democratic majority in the U.S. Senate. The committee is run by allies of Senate Minority Leader Chuck Schumer. In 2012, Maher donated the same amount to Priorities USA Action to help get Obama reelected. On his show, Maher has attacked "billionaire liberals" for not making contributions on the same scale as those made by such Republican donors as Sheldon Adelson.

Phillip Picardi is the latest high-profile exit from **Condé Nast**. The chief content officer at Teen Vogue, which shuttered its print edition last year, as well as the founder of THEM, the publisher's LGBT-focused media platform, Picardi is heading to *Out* magazine, where he will become editor-in-chief, succeeding Aaron Hicklin. At *Out*, he will supervise the print magazine, as well as its digital platform. Picardi was considered to be a linchpin in Condé Nast artistic director Anna Wintour's plans to refashion the company for the digital era.



Bill Maher

**Facebook** says it's removing over 5,000 ad targeting options that could have been misused to place discriminatory ads across its platform, according to a report on TechCrunch. The company also said it is introducing a certification for U.S. advertisers through its Ads Manager tool, requiring advertisers to properly register their compliance with Facebook's non-discrimination policy if they post housing, employment or credit ads. The move follows a complaint from the U.S. Department of Housing and Urban Development accusing Facebook of helping landlords and home sellers violate the Fair Housing Act. It says that Facebook's ad settings disregard the law by allowing advertisers to target certain demographics.



## **AMERICAN TRUST IN MEDIA ON THE RISE**

Trust in the media appears to be on the rebound, according to an annual survey conducted by journalism nonprofit Poynter Institute.

Poynter's latest survey found more than half of Americans — 55 percent — say they now trust national network news, 59 percent trust national newspapers and 47 percent trust online-only news outlets. In total, 54 percent currently claim to have a “great deal” or “fair amount” of trust and confidence in the media overall, up 22 percent from a 32 percent trust rating two years ago.



This sense of trust notably appears at the local level. The Poynter survey found that more than three-quarters of Americans — 76 percent — now have at least a fair amount of trust in local television news, and 73 percent say they trust local newspaper publishers, compared to 55 percent last year.

The reversal follows a decades-long trend of declining trust in the press, and seems to have begun sometime last year, correlating with Donald Trump's presidency.

Poynter's 2017 Media Trust Survey last year found that overall trust and confidence in the media surged to its highest levels since 2001, though remained markedly lower among those identifying as Republican, with 44 percent claiming they believe the media fabricates stories about Trump on a regular basis.

This partisan divide remains. While trust and confidence in the press is up on both political sides, 86 percent of Democrats now say they possess at least a fair amount of trust in the media (a 12-percent uptick from the last Poynter survey and a 53 percent surge since 2016), while Republican trust and confidence stands at only 23 percent (compared to 19 percent in 2017 and 14 percent two years ago.) More than half of Democrats — 55 percent — believe the media “deal fairly with all sides,” but less than 10 percent of Republicans believe that statement.

Reflecting the national trend, Republicans' trust in the media appears far more pronounced at the local level. Nearly three-quarters of Republicans — 73 percent — said they trust their local TV news station, and 62 percent trust their local newspaper.

The latest Poynter Media Trust Survey was conducted using a representative sample of the U.S. population by market research firm YouGov.

## **CELEBRATING LATINO PR HISTORY**

The Museum of Public Relations and the Hispanic PR Association are putting on their second annual Celebration of Latino PR History event on Sept. 10 at 6 p.m. at the City University of New York's Baruch College. Catherine Hernandez-Blades, chief brand and communications officer at Aflac, will be the program's keynote speaker. Blades will talk about the contributions Latinos have made to the PR profession, as well as discussing her experiences. Her presentation will be followed by a moderated panel of professionals from the HPR. A networking reception with wine and food is included with admission. To register or to find out about becoming a sponsor, go to the Museum of Public Relations website.

## **PECKER GETS IMMUNITY IN COHEN PROBE**

David Pecker, CEO of American Media, the company that publishes the *National Enquirer*, was granted immunity by federal prosecutors in the investigation surrounding Michael Cohen



**David Pecker**

Pecker, a friend of the president, met with prosecutors to describe Cohen's involvement in the hush money schemes brokered before the 2016 election, the *Wall Street Journal* reported Aug. 23. He said that not only did Cohen make payments to two women who allegedly had sexual encounters with Trump while he was running for president, but that the then-presidential candidate had knowledge of those payments.

The hush money was paid to porn star Stormy Daniels, who received \$130,000, and former *Playboy* model Karen McDougal, who got \$150,000 as part of a “catch-and-kill” setup, in which American Media bought the rights to her story and then withheld it from publication.

The *New York Times* reports that Pecker and American Media chief content officer Dylan Howard informed Trump that McDougal was looking to tell her story as early as June 2016 and that Cohen finalized a deal for the catch-and-kill operation in August 2016.

Cohen pleaded guilty to eight criminal counts—including tax fraud, making false statements to a bank and campaign violations.

## **MCCLATCHY CUTS EDITORIAL STAFF 3.5%**

McClatchy Co. is cutting 140 editorial staffers to combat strong “industry headwinds,” according to a memo from CEO Craig Forman to employees.

Forman called the cutbacks necessary to protect and further the future of the newspaper company, which suffered a nine percent drop in second-quarter revenues to \$204.3M and a \$20.4M net loss.

“Talented and passionate people who have dedicated their energy to our mission, colleagues we call friends and rely on every day, will leave the company,” wrote Forman.

McClatchy operates in 30 markets and publishes the *Miami Herald*, *Charlotte Observer*, *Sun News* (Myrtle Beach), *Kansas City Star*, *Wichita Eagle*, *Star-Telegram* (Fort Worth), *Fresno Bee*, *Sacramento Bee* and *Bellingham Herald* (Washington).



**Craig Forman**

Forman, who wrote that McClatchy is in better shape than its peers, noted that job cuts “are not an unusual path in an ambitious transformation—the road is often filled with ups and downs, and it's seldom a straight up line.”

He noted that while McClatchy's digital revenues continue to grow, it still faces a significant print advertising decline following the 26.4 percent drop to \$60.6M in second-quarter print ad revenues.

McClatchy's digital ad revenues jumped eight percent to \$46.4M during the latest quarter.

## T-MOBILE TAPS HOGAN LOVELLS

T-Mobile has hired international law firm Hogan Lovells to lobby on Capitol Hill in support of its proposed \$26.5 billion merger with competitor Sprint Corp.

T-Mobile and Sprint, the third and fourth largest U.S. wireless carriers respectively, announced the planned merger in April. If approved, the combined entity, which is currently under review by the Federal Communications Commission and the Department of Justice, would cut the U.S. wireless market to only three carriers.

The networks have pitched the deal as a joining of underdogs in a market dominated by AT&T and Verizon, resulting in U.S. advancements in 5G technologies.

The deal has been criticized for its potential to reduce competition and lead to higher prices.

Managing the account is former Minnesota Republican Senator Norm Coleman, who joined Hogan Lovells in 2011.

## EVOKE UNITS REBRAND AS SINGLE ENTITY

Evoke Group, the Huntsworth Health umbrella platform of health marketing brands, has integrated all the group's units under one global agency brand, Evoke.

The rebrand affects all agencies under the Evoke Group banner: AboveNation Media, Evoke Health, Fabric, Firsthand, Nitrogen Health, Traverse and Tonic Life Communications. Also joining the Evoke fold will be Giant Creative Strategy, the healthcare marketing communications firm that was acquired by Huntsworth in July. Current agency leadership across Evoke is unchanged.

Evoke now counts more than 550 employees and represents 18 of the world's top 20 pharmaceutical companies.

Huntsworth Health is London-based PR group Huntsworth's largest division.

## GOTTLIEB NAMED PRSA-NY PRESIDENT-ELECT

The Public Relations Society of America, New York Chapter has named Leslie Gottlieb president-elect. Gottlieb steps into the role following the July departure of Doug Simon.



**Leslie Gottlieb**

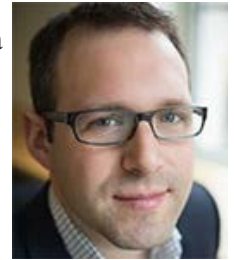
Gottlieb is president of LG Strategic Communications. A board member of PRSA-NY for 15 years, she will continue her involvement on the chapter's membership and mentoring committees, as well as the chapter's new Senior Pros committee.

In her new position, Gottlieb will be tasked with studying PRSA-NY's priorities and initiatives such as diversity and inclusion. She will also focus on fiscal priorities, memberships and creating new partnerships and alliances.

Simon was named president-elect of PRSA-NY in January. At the time of his resignation, he issued a statement threatening legal action toward any parties who shared defamatory information concerning his departure.

## PEOPLE ON THE MOVE

**New Heights Communications** of DC has brought on Josh Cohen as a principal and **Jimmy Donofrio** as director of digital strategy. Cohen comes to New Heights from The Pastorum Group, which he co-founded in 2015. He has also worked for the Democratic National Committee and Obama for America. Donofrio was previously digital director at Americans United for Change and served as creative director at the DNC. New Heights has also promoted **Jaime Horn**, who has been a senior advisor at the firm for a year, to partner. Horn was previously with Blue Engine Message & Media.



**Josh Cohen**

**Symetra Life Insurance Co.** has hired **Trinity Parker** as senior VP, marketing, communications and public affairs. Parker was most recently regional manager, government and community relations, for Sound Transit, a transit agency serving Washington State's Puget Sound region. In her new role, she will be responsible for Symetra's overall marketing and communications strategy and programs.

**Warner Communications**, a Millwright Holdings unit, has promoted **Erin Vadala** to president, succeeding agency founder Carin Warner. Vadala, who has been with Warner since 2004, was previously senior VP. Before that, she served as marketing communications manager at both Aspen Technology and Pilot Software. In her new post, Vadala will be charged with leading client relations, strategic planning and agency growth.

## ACCOUNTS IN TRANSIT

**LaForce** has been named PR agency of record for **CKE Restaurant Holdings**, parent company of the Carl's Jr. and Hardee's restaurant brands. LaForce will conceive and produce all consumer media-facing communications strategies for both brands. The agency will also oversee such corporate communications programs as executive and leadership strategies, media relations and corporate social responsibility. LaForce's CKE programs will be led by agency senior vice president Olita Mills.

**High10 Media** has expanded its scope of work with investment management firm **Alliance-Bernstein**. Brought on to handle personal and professional public relations for part of the company's sports, media and entertainment division, High10 will now work with additional members of the Bernstein team. The expansion follows a six-month engagement led by High10 Media SVP Ed James that led to media interviews and event opportunities focusing on the human side of money management.



**Clarify PR** has been named global communications agency for **HYPERVSN**, which bills itself as the world's only fully integrated 3D holographic display system. Clarify's remit is to raise awareness of HYPERVSN's visual experiences through an integrated program of content, events and reviews, as well as activations designed to demonstrate the system's potential to in-person audiences.

# COMMENTARY

## PR COMMUNITY MUST SPEAK FOR AMERICA

The world wonders what is going on in America. President Trump has made a political career out of insulting and demeaning hundreds of people in all sorts of federal and non-governmental positions and doing the same where he travels abroad.



**Joe Honick**

Trump's toxic rhetoric has contributed to a nosedive in respect for America and its people.

It's time for the powerful voices of PR to create an organized effort to improve the country's image, in much the same manner as they do for industry and other clients.

It's no longer a question of IF the need exists. The question is whether there is sufficient understanding of what must be done and how serious it is.

The effort need not be a direct challenge to the president or politics in general.

There are countless things to say about America, a country that Trump disparages each time he crows that

only he can make it great again.

The PR program must avoid the excesses of "cheerleader" promotion.

The focus should be on the things shaping and building communities across the nation, that can't break through the media clutter of 24/7 Trump.

The PR spotlight should be trained on those unsung companies, nonprofits and individuals who strive each day to better the lives of people here in the US and throughout the world.

The PR community can no longer stand silent while the president shreds the reputation of the country that we all love.

It will take some coming together of leading creative people with the stature sufficient to get others to join in a unified campaign, give it a name and get it rolling.

Time is running short. What are you waiting for?

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*Joseph J. Honick is an international consultant to business and government and writes for many publications. He can be reached at [joehonick@gmail.com](mailto:joehonick@gmail.com)*

## IS BULL MARKET TRUMP'S BEST DEFENSE?

As president Trump is caught in his latest lie about paying "hush money" to porn star Stormy Daniels, it all comes down to numbers for the tweeter-in-chief.

In an exclusive interview with his favorite media outlet, Fox News, Trump said he "does not know how you can impeach somebody who has done a great job." Be patient.

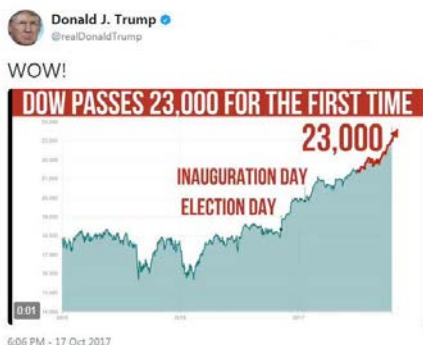
He was taking credit, of course, for the record bull run of the stock market, which began in 2009, when Donald was peddling Trump condos to Russian oligarchs.

"If I ever got impeached, I think the market would crash," said Trump, a sell-off that could do some serious damage to the portfolios of his constituency, the one-percent crowd.

"I think everybody would be very poor because without this thinking, you would see numbers that you wouldn't believe," continued Trump. Some way more than the rest of us.

Americans are currently seeing numbers that they could never imagine about their president.

Those numbers are from the *Washington Post's*



Fact Checker that now has now documented 4,229 lies or misleading claims from the former reality TV show star.

Trump is averaging a very impressive (sad, really) 7.6 whoppers a day.

The it's-all-about-me Donald doesn't have much to hang his hat on when it comes accomplishments that help Americans live better lives.

But it's very risky to tie your ability to wiggle out of impeachment to the health of the stock market.

As Ace Greenberg said following the Black Friday, Oct. 19, 1987 crash, "stocks go up, stocks go down."

Donald should be warned that this bull market is a bit long in the tooth.

Peter Eliades, editor of *Stock-market Cycles*, told Fox Business' Neil Cavuto on Aug. 22 that he'd be amazed if the market moved above its current position ten years from now.

The crash is coming, Donald. It may be here sooner than you think. Hopefully, you won't be in the White House much longer to watch the market tumble.

—Kevin McCauley